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Security Distributing & Marketing

A Cahners Publication *Volume 20, No. 15* *January 1991*

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The future of security depends on technological developments in wireless equipment, central station monitoring, CCTV, smart card technologies, and addressable fire detectors. See page 78.

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Editorial

Editor's viewpoint on industry issues

Just call me Jeanne Dixon

Don't you just love the annual predictions that begin to appear in papers and magazines about this time of year? I always intend to save them and pull them out at the end of the year to see how these crystal ball watchers did.

I've never actually done this however, because I either forget to save the articles in the first place or I forget where I put the articles "so I can easily find them."

For *SDM's* 20th anniversary I did the job for you by going into the storage room (No, it isn't any cleaner than yours) and digging out old issues to see what previous editors predicted in the early days of our industry. Here are just a few of those predictions:

• In 1971, *SDM* predicted that the "residential security market will reach the $200 million mark about 1975 and level off at around $500 million by 1980." Boy, it's a good thing this one was wrong! In 1990, residential security represents more than half of total industry revenues, pegged at almost $10 billion.

• Those same editors in 1971, when discussing security monitoring stated: "As one leading manufacturer says, 'The indisputable fact is that dialers are here to stay.'" Wrong for the most part. Tape dialers were replaced by digital communicators, which were not much more than prototypes in 1971.

• But the 1971 editors bounced back quickly by stating that "digital or solid-state dialers seem to be the hottest item in the near future." Nice call on that one.

• On false alarms: "We recommend that the industry undertake to solve the false alarm problem on an urgent time schedule through improved technology." Big points for taking a stand on false alarms but unfortunately, improved technology hasn't been enough.

• *SDM* on access control in 1971: "Access control is booming [because of] the mounting crime rate, the increasing sophistication of equipment, the militant atmosphere of today's public, and TV shows like *Mission Impossible*, which give the impression that all devices and all plans can be circumvented by clever people."

Well, they were both right and wrong. Property crime is no longer spiraling, the public is no longer so militant, and *The Simpsons* are as hot as *Mission Impossible* used to be (This raises some interesting questions about where TV is heading but I'll leave that to *TV Guide*). Nevertheless access control is booming, due in part to its increased sophistication.

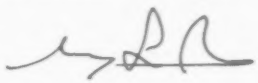
Now I'll do just what you suspected—make an attempt at some predictions for what will happen in our industry in the next 20 years.

• Home automation will finally become a major industry.

• Significant progress will be made in the elimination of false alarms through regulations and education, but a major technological breakthrough, probably in computer technology, will make the difference in eliminating the problem.

• Wireless systems will predominate and control panels will be reduced to little more than a chip, probably mounted behind a switchplate.

• None of you will be able to find this editorial in 20 years to check on whether I was right.



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SDM has been designated as the publication of record for the Security Industry Association.

1991 Forecast: Blue Skies, Cold Temperatures

Despite a chill in the economy, security offers growth opportunities for dealers who make the right moves in 1991.

By Gary L. Parr
Editor, SDM

All over the nation dealers are reviewing the results of 1990 and speculating about 1991. Never before have the conclusions been so diverse, nor the optimism so guarded.

The industry continued to grow last year, although at 10% the rate of growth was the slowest in five years, according to the 10th Annual Forecast Survey conducted by *Security Distributing & Marketing* magazine. Security revenues from sales, installation, service, and monitoring grew to $9.68 billion. That's 10% lower than the growth rate forecast by dealers in the 1990 forecast. Now projections call for industry growth to pick up to 12% this year and for dealer revenues to reach $10.8 billion by year's end.

The growth rate in the turbulent year of 1990 was by no means consistent across all types of companies or across all parts of the country. The region hardest hit was the Northeast, where only half the dealers reporting were able to increase revenues in 1990, compared with 1989. By contrast, in the West 77% of dealers surveyed reported revenue gains. The same number expect more growth this year. About 40% of dealers in the Northeast anticipate no increase in revenues for 1991.

The industry in the South and the West grew 16% and 18% respectively, twice the growth rate of the Midwest and the Northeast.

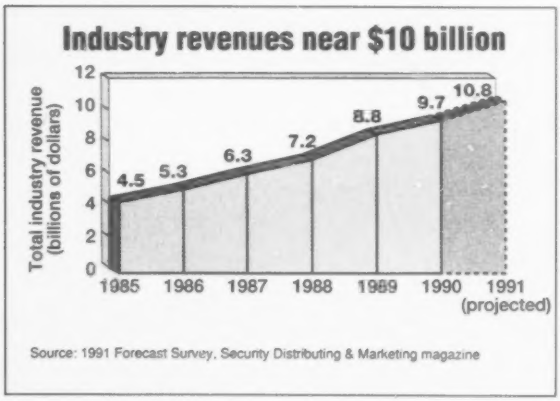
Nationwide, the number of security-installing companies reporting a gain in revenues last year was the lowest since 1983, when the nation was coming out of the last recession.

In fact, the state of the economy had a significant effect on dealer revenues in 1990. This will continue in 1991. Just as the overall economy differs from region to region, so too will growth in security revenues, as the nationwide threat of crime no longer makes security sales immune to recession. Even among dealers who experienced increased revenues in 1990, the slowdown in the nation's growth had impact.

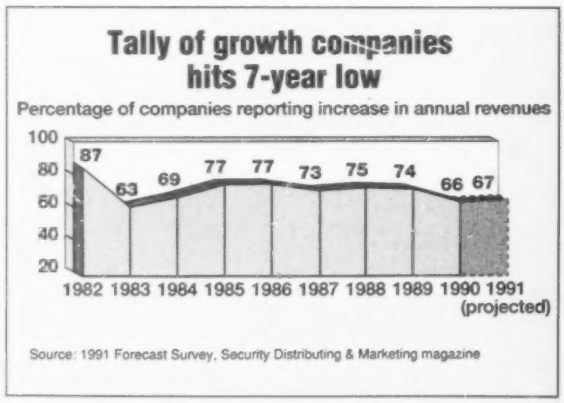
"Our growth was slow due to current economic conditions and increased cancellations," says a dealer about 1990.

"Business should be higher, but the economic slowdown will affect sales," says a security manager about 1991.

"The state of the retail markets hurts the industry, because so many businesses were built on commercial accounts," observes a top executive.



Although growth in 1990 did not match expectations, revenues from sale, lease, installation, service, and monitoring of security systems across the United States neared $10 billion in 1990.

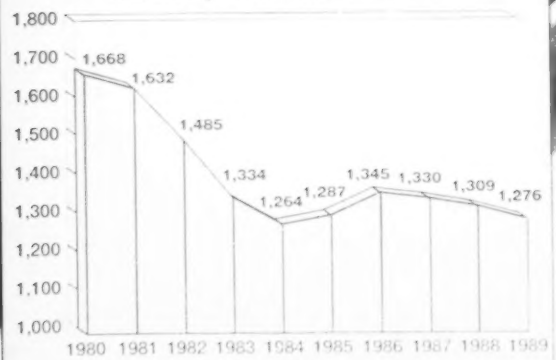


The number of installing companies reporting gains in revenues year dropped to 66%, the lowest since the last recession. Just 67% project increases for 1991, compared to 82% who initially were optimistic about 1990.

A technician from FBN Security Co., Windsor, CT., adjusts a video camera. Many companies are forecasting increased purchasing of CCTV and other security equipment in 1991.

Burglary rate slows vs population

Rate of burglary per 100,000 inhabitants

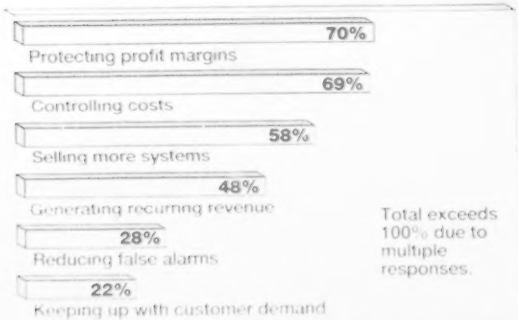


Source: Uniform Crime Report, FBI

Since 1986, the number of burglaries reported to police has declined each year. The ratio of burglaries to population has declined 5% since 1985, 24% since 1980.

Challenge ahead: Setting priorities for 1995

Percentage of dealers who named each factor as one of three big challenges.



Source: 1991 Forecast Survey, Security Distributing & Marketing magazine

Challenges facing security installing companies over the next five years reflect both the state of the nation's economy and the industry's focus on profitability.

Top companies point to marketing efforts as the best indicator of revenue growth.

According to the results of *SDM*'s 10th Annual Forecast Survey, economic conditions will strongly affect sales of security systems throughout the next five years. When asked to select which factor will have the most impact on sales, 49% of dealers surveyed pointed either to the economy in general or to a specific economic indicator such as home building, disposable income, or business spending.

Bright spots amid clouds

After the longest uninterrupted period of growth in the post-war era, the U.S. economy has cooled, but economists see bright spots in the forecast. Security offers plenty of opportunities for dealers who are prepared to market aggressively and to pursue growth markets. Dealers participating in the Forecast Survey provide examples.

"There's been an increase in awareness by new home owners, and we're working more with quality contractors building higher priced homes," offers a dealer from the South.

"We've completed larger industrial CCTV jobs," says a dealer from the West.

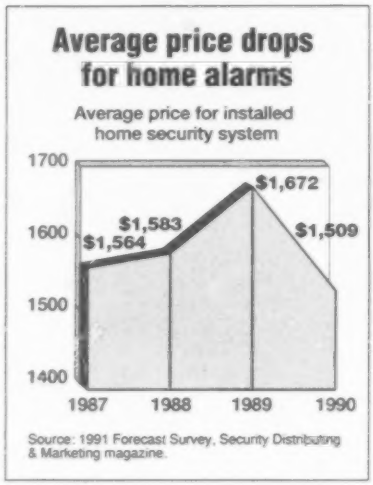
"While we expect an increase from our base of long-term customers, most of our focus for new sales investments has been turned to fire alarms," explains a Midwest dealer.

"We did a lot more advertising in a tough year," reports a dealer with a small company.

Many dealers have developed broader technical capabilities and stronger marketing efforts to increase revenues. This strategy provides many dealers with greater flexibility, as the number of burglaries has leveled off.

After hitting a peak of 3.8 million in 1981, burglaries reported to police dropped 17% to 3.17 million in 1989. The Bureau of Justice Statistics' National Crime Survey each year estimates residential burglaries, including break-ins not reported to police. By this broader count, household burglaries dropped to 5.78 million in 1989.

While the rate of burglaries has fallen, other types of crime continue to rise. Whether due to news reports or word-of-mouth, the perception persists that crime is increasing, and demand for security systems has increased accordingly. Among dealers in the Forecast Survey, 89% say crime in the area has increased compared to 1985, and 91% say demand for security has increased.



Average prices for residential security systems dropped in 1990 to $1,509. Mass marketing of systems in major cities helped push average 1990 prices almost 4% below 1987's prices.

The survey reflects a noticeable shift from the past, however. No longer is the crime rate considered the most important factor in selling security. Less than three in ten dealers now point to crime as having the most impact on their sales over the next five years. About two in ten say marketing programs and sales effort have the most impact.

Marketing opens doors

Among dealers at the largest companies, the outlook is different. Yes, the state of the economy is a factor in sales, and yes, the level of crime is a factor in sales, too. According to multi-million-dollar companies, however, what matters most in selling security in the 1990s is marketing. Some 41% of companies with revenues more than $1 million point to their own sales and marketing efforts as the single factor having the most impact on revenues.

Marketers view the sales factors this way: Concern about crime increases the need to invest in a security system. The economy affects the ability to make the investment. But only effective marketing and sales can create an awareness of the benefits and the desire to make the investment.

Economic uncertainty over the past year has focused more dealers' attention on the challenges of the 1990s and ways to meet them. Looking ahead, dealers named the three biggest challenges facing their businesses over the next five years:

- protecting profit margins (mentioned by 70%)
- controlling costs (69%)
- selling more security systems (58%).

Companies that rise to these three challenges will be in the best position to prosper in the years ahead.

Other challenges mentioned were generating recurring revenue (48%), reducing false alarms (28%), and keeping up with customer demand (22%).

Prices in decline

Meeting the challenge of profitability becomes more difficult now for companies that rely primarily on residential sales. The drive to broaden the market for home alarms and the stiff competition in major markets have discouraged price increases and, in many cases, pushed prices down.

The introduction of below-cost, high-impact marketing of home alarms began with Brink's Home Security in Portland, OR. Now it's possible for consumers in several active markets to buy a professionally installed security system from any of several major companies and to pay no more than $395 or pay no installation fee at all.

The appealing prospect of collecting monitoring revenues from each customer every month has prompted these below-cost sales. Companies with a sufficient base of capital are practicing profit patience. That is, they plan to lose money on every sale initially and to wait months or years before making a profit on each account. Their sales totals already number hundreds of thousands.

In this respect, the new-type price-cutting differs from the no-overhead pricing of single proprie-

tors who sell and install a few systems a year. Even in urban areas where below-cost marketing has not begun, recession-minded consumers and old-fashioned price competition have added downward pressure on prices.

Results of *SDM*'s 1991 Forecast Survey reflect these developments. The average price charged for a residential security system by survey respondents in 1990 was $1,509. That's almost 4% below the average price reported in the survey four years ago. That's good news for Americans concerned about burglary. Adjusted for inflation, the average price of a home alarm has dropped 16% since 1987.

For consumers, the news gets better. In paying less, buyers of security systems are actually getting more. Of dealers surveyed, 94% say the quality of security systems they sell and install has improved over the past five years. In addition, 88% say the quality of security products and services from their suppliers has stayed the same or improved.

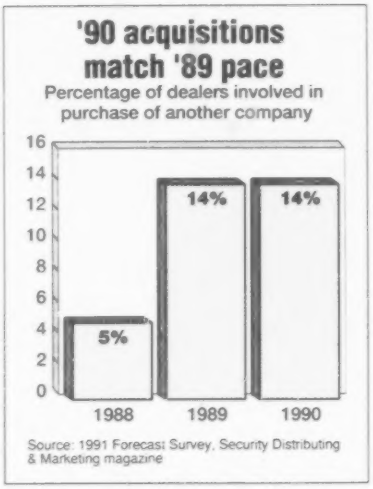
For security-installing dealers, the news is mixed. On one hand, lower prices can lead to a broader mix of prospective customers. On the other hand, lower prices can lead to a severe profit squeeze. Will home security prices continue to decline? The answers are mixed:

- 36% of dealers surveyed say over the next five years, prices will decrease.
- 50% disagree.
- 14% offer no opinion.

The expectation of lower prices is strongest among dealers in the South and dealers who operate their own central stations.

Big-scale competition

In a period of declining prices and recession-minded consumers, companies with a solid base of capital have an edge. In fact, 44% of dealers surveyed point to large or national alarm companies as their stiffest competition over the next five years. Historically, small companies have been strong competitors as well, drawing on personal knowledge of their immediate area and adding the personal touch to every transaction. Of the dealers surveyed, 22% say small alarm companies are their stiffest competition.



Acquisition activity kept up with the pace set last year, as 14% of security-installing companies purchased other firms.

Companies selling do-it-yourself alarms for the home so far have failed to produce a sufficient return for any of the major corporations that have introduced product lines. Past efforts by Radio Shack, Black & Decker, Schlage Electronics, AT&T, Amway, and others have shifted to dealer distribution, been scaled back, or have been discontinued altogether. Still, self-installed systems represent another form of competition for professionally installed security, now or in the future.

About 10% of dealers expect that over the next five years, self-installed systems will be their stiffest competition. Also mentioned are franchised alarm companies (by 6%) and electrical contractors (by 6%). Another 14% indicate that competition has little or no effect on their businesses.

On one hand, hotter competition and a cooler economy in 1990 contributed to further consolidation in the industry. On the other hand, financing for acquisitions was harder to come by, due to economic pressure on financial institutions. At the dealer level, prominent buyers such as National Guardian Corp. and SecurityLink scaled back acquisitions during 1990. The Alert Centre continued its aggressive purchasing of

Growth and diversity in security purchases

To achieve the growth forecast for 1991, dealers are looking to sales in more than one product category to more than one type of customer. The residential market is still considered a prime opportunity, and the possibilities for home automation are intriguing. Many dealers are focusing, too, on sales of access control, closed-circuit video, fire protection, and intercom systems to business.

In fact, projections call for increased purchasing of security equipment in each of these categories.

Nine out of ten dealers active in access control plan to increase purchasing in this growing field, according to survey results. The wider choice of technologies and the introduction of access systems to meet the needs of smaller users have broadened the market opportunities and attracted more dealers. According to the survey, companies with revenues exceeding $1 million plan to increase purchases of access control systems by an average of 11%.

Among those dealers using closed-circuit video, 93% plan to increase purchasing. Color video, smaller cameras, remote CCTV transmission, and sophisticated accessories provide a broad range of customer options. Among larger companies surveyed, CCTV purchases will increase 11%.

In fire protection, the slowdown in commercial, industrial, and institutional building means more fire alarms installed in retrofit jobs, where security companies are active. Purchasing of fire protection equipment will increase at 95% of the companies surveyed. On the average, these companies plan to increase spending on fire protection by 11%.

More than seven in ten dealers surveyed currently install intercom/sound systems. Their purchase plans for 1991, on the average, call for a 7% increase. From residential security and intercoms, the move to home automation will be considered by more dealers in the future. Currently, 21% are involved in home automation, and they plan to increase their purchasing by 7%.

Long-term outlook shows strong support for digital monitoring among all types of dealers.

both companies and accounts in various parts of the country. At the supplier level, the acquisition of Fire Burglary Instruments Inc. by Pittway Corp. was one of two prominent sales.

Acquisition action

The purchase by Scantronic USA of Arrowhead Technologies from Cerberus Technologies represents a handoff from one European parent to another and the combining of three well known names in U.S. security manufacturing. The new entity, based in Stockton, CA, combines Arrowhead, which earlier combined with DTI Security, and Acron Corp., which was earlier acquired by Scantronic.

With the backing of foreign investors, management of Aritech Corp. worked toward a buyout of the publicly held company. After months of negotiations, the outcome was not clear at press time.

Among many larger dealers, *SDM*'s Forecast Survey indicates that acquisitions, though not so prominent, have been common. Of dealers with more than $1 million in revenues, 40% say they purchased another security-installing company within the past year. As expected, the percentage of smaller companies making acquisitions was lower. Overall, 14% of dealers surveyed say they purchased another company, matching the acquisition pace set in 1989.

The digital age

Again this year, dealers chose digital communications as the top technology for monitoring of security systems over the next five years. In fact, the most dramatic developments in the industry seen in the past year could not have been possible without it:

- more home alarms sold below cost for the sake of future revenue from digital monitoring
- more acquisition of security-installing companies whose principal assets are digitally monitored accounts
- more industry growth and stability — in spite of recession — to a large degree, thanks to revenue from digital monitoring.

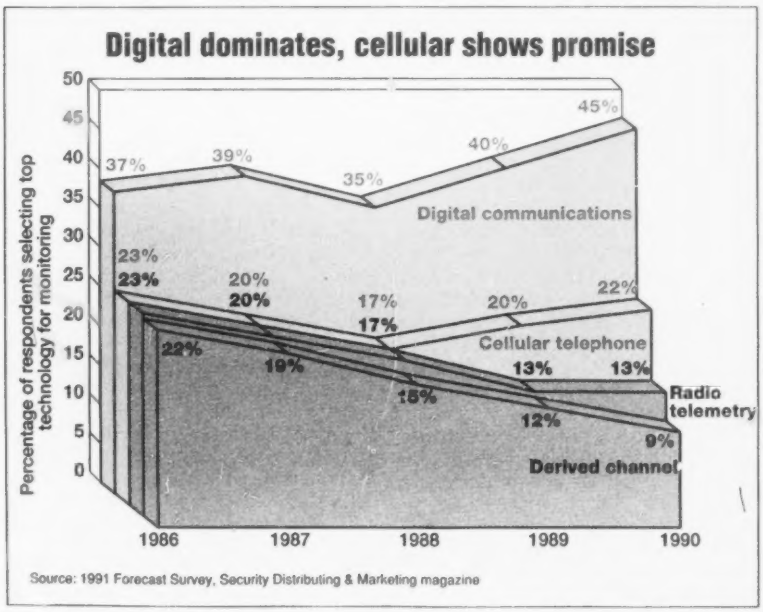
So it comes as no surprise that dealers in *SDM*'s Forecast Survey say digital communications will have more impact on their businesses than any other monitoring technology. In fact, digital increased its lead. At 45% digital technology is 23 points higher than the next technology.

Cellular telephone, mentioned by 22%, is used either where standard telephone service is unavailable or as a backup, in case the phone line is out of service. The cellular link transmits or receives the signal between the security system and the telephone system using digital communications.

Long-range radio telemetry, which offers an alternative to monitoring using phone lines, continues to earn 13% of dealer mentions in the survey. The largest dealers rank future impact of long-range radio much higher, at 29%. With these influential companies involved, the impact of RF monitoring in 1995 could be considerably greater.

Dealers' interest in the future impact of monitoring using derived channel, multiplex, and listen-in technologies all fell below 10%.

The experience of 1990 shows that environmental conditions for selling security differ widely from region to region, even from company to company. As the nation struggles through economic change, dealers are forecasting growth, but not without considerable caution. The climatic changes call for a flexible approach to selling many different kinds of products and markets and aggressive pursuit of opportunities as they arise. **SDM**



Between now and 1995, more dealers than ever expect digital monitoring to have the most impact on their businesses. Also mentioned in '90: 6% for multiplex and 5% for listen-in.

How the Forecast Survey works

Results from *Security Distributing & Marketing*'s 1991 Forecast Survey are based on responses to a written questionnaire mailed to a random sample of 1,000 subscribers. All respondents are owners, executives, or managers of electronic security-installing companies in the United States. Questionnaires were mailed on October 5, 1990 and 333 replies had been received by November 2 for a response rate of 33%.

SDM thanks all those who participated in this ongoing research.

Security Distributing & Marketing

Securing Computer Data

Sen. Hollings And the RBOCs

A Selective PIR Detector

Microwave Motion Quiz

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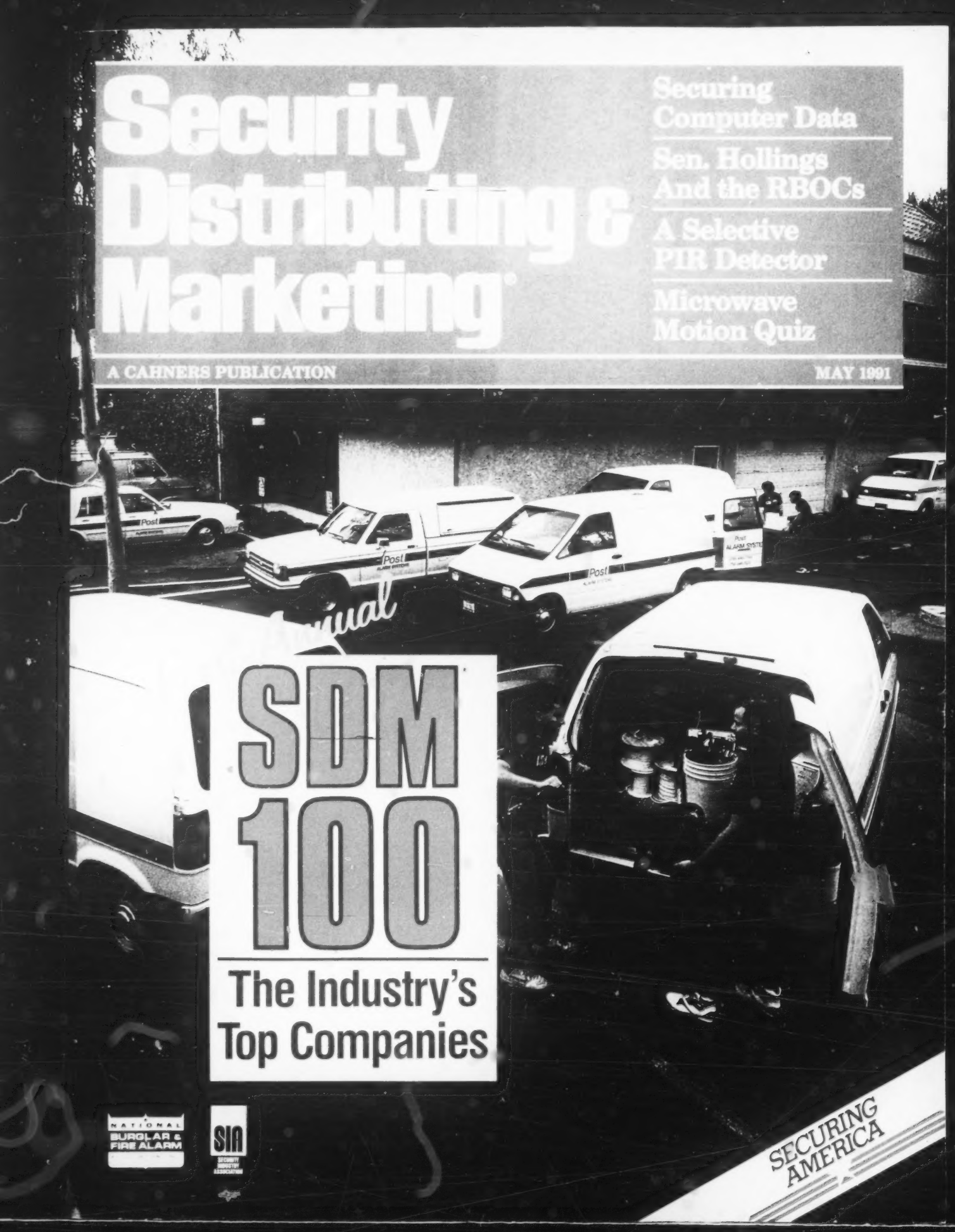


SDM 100

The Industry's Top Companies

NATIONAL BURGLAR & FIRE ALARM

SIA SECURITY INDUSTRY ASSOCIATION

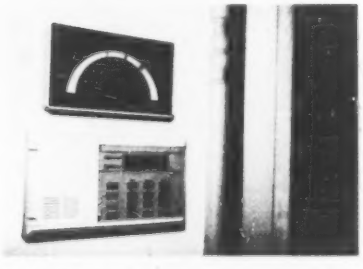
SECURING AMERICA

Security Distributing & Marketing

A Cahners Publication Volume 21, No. 5 May 1991

74 *The SDM 100 tells you how our industry's leading companies stack up.*

98 *Keep your customers' computer rooms safe.*



91 *Multiplex simplifies massive home security job.*

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Controlling access to data processing centers reduces fraud, embezzlement, and theft.

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ABOUT THE COVER

The professional work ethics of crew chiefs Juan Gonzales (left) and Don Reardon, have helped further the success of Post Alarm Systems, Arcadia, CA. Post is ranked tenth on the SDM 100 Residential listing. See page 74.

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SDM 100

The Industry's Top Companies

In a first for the industry, Security Distributing & Marketing*'s SDM 100 ranks the top U.S. installation companies.*

By Laura E. Stepanek
Senior Editor, SDM

There is a time when every maturing industry must come out of its shell. This is particularly true in the alarm industry where changes have captured the attention of the public, as well as electronic security professionals.

The immediate issues affecting further growth of the industry are consolidation activity at every level, exposure to the international market, imminent assault on false alarms, application of ultra-sophisticated technology to the needs of real people, and cultivation of young people to join the ranks of security professionals.

The leading companies in the alarm industry will play key roles in this growth because they have the money and manpower to establish industry trends. *Security Distributing & Marketing* identifies these industry leaders by including them in the SDM 100, a first annual listing of the largest alarm firms, ranked by annual revenue.

The makeup of the SDM 100 is diverse. Some are well-capitalized start-ups headed by creative entrepreneurs, such as Westinghouse Security Systems. Others are established arms of corporate giants.

But most are family-owned businesses. Some companies, such as Allstate Security and Supreme Security Systems, were founded before 1930 and have built their customer bases slowly.

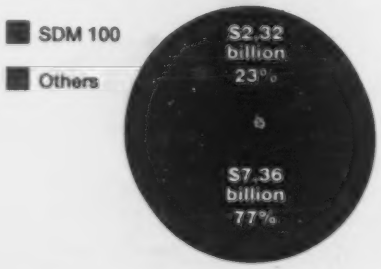
Others, such as Kastle Systems and Westco, have carved a special market niche. However, market specialization is just one strategy for growth. Firms such as National Guardian and SecurityLink have grown by leaps and bounds by acquiring other alarm companies.

Unlike many industries where the majority of companies are publicly owned, most of the top firms in the alarm industry are private. It is these people who contributed mightily to this listing by sharing private information such as annual revenue and number of accounts. This, coupled with the extensive knowledge of industry observers, is what made the SDM 100 possible.

The SDM 100 companies grossed $2.32 billion last year, a 23% share of the electronic security market, pegged at $9.68 billion by *SDM's* 1991 Forecast. The SDM 100 also account for 2,793,553 subscribers.

The SDM 100 companies are presented on the following pages. The companies are divided into two lists based on whether the majority of their installations are residential or commercial. Your comments are welcome. Call (708)390-2131, or send us a fax at (708)635-9950.

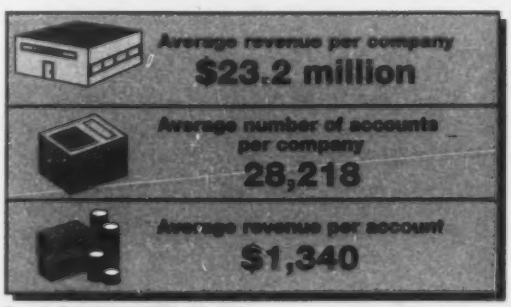
SDM 100 captures almost a fourth of industry revenues



Source: Research for SDM 100, 1991; Forecast survey, 1990.

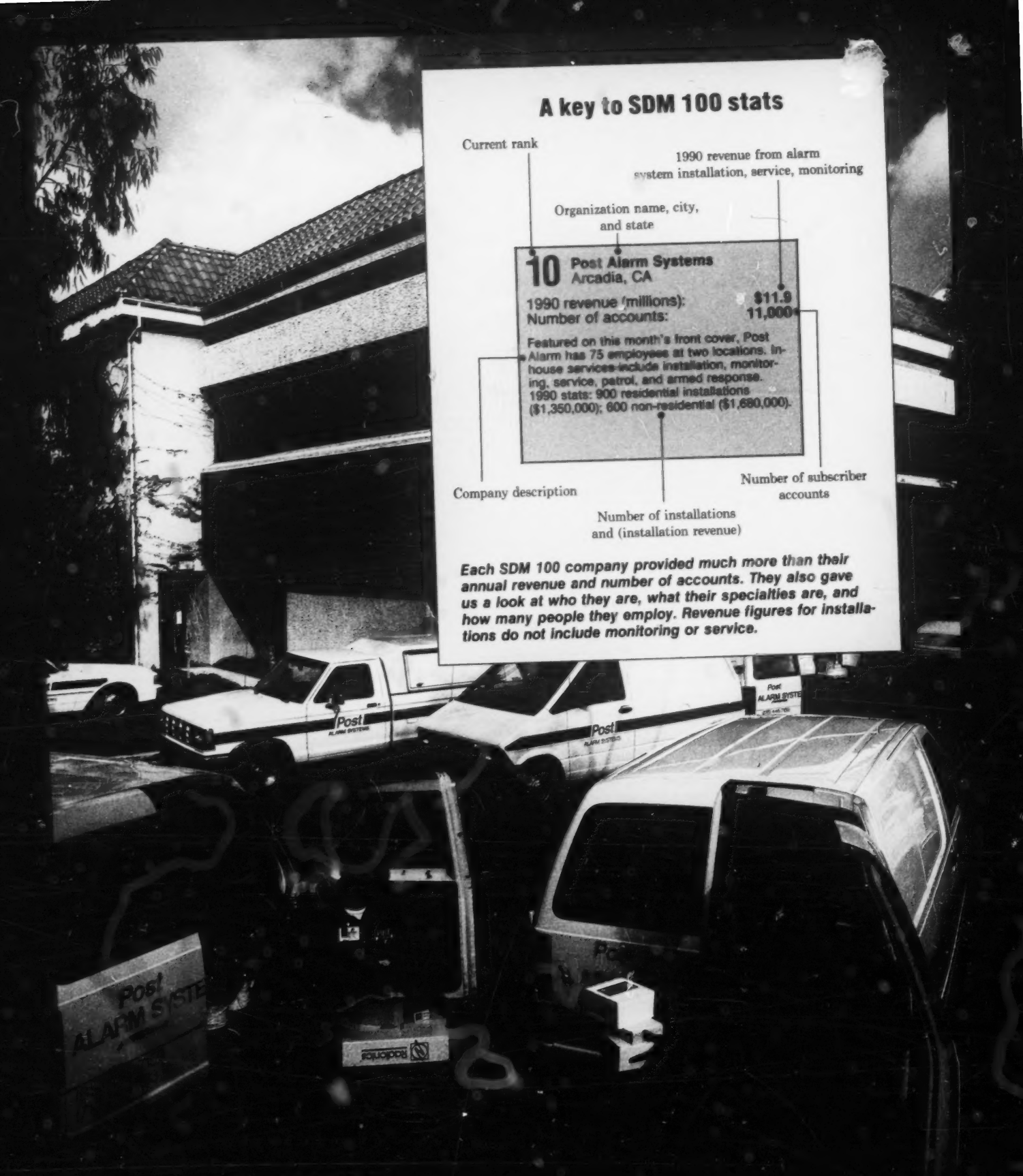
The top 100 alarm companies captured a 23% share of the U.S. security industry's total revenues for alarm system sales, installation, service, and monitoring in 1990.

Top companies earn high averages



Source: Research for SDM 100, 1991

Revenues for the SDM 100 companies range from $1.8 to $595 million, with the average annual revenue per company at $23 million.



A key to SDM 100 stats

Current rank
1990 revenue from alarm system installation, service, monitoring
Organization name, city, and state
10 Post Alarm Systems
Arcadia, CA
1990 revenue (millions): $11.9
Number of accounts: 11,000
Featured on this month's front cover, Post Alarm has 75 employees at two locations. In-house services include installation, monitoring, service, patrol, and armed response. 1990 stats: 900 residential installations ($1,350,000); 600 non-residential ($1,680,000).
Company description
Number of subscriber accounts
Number of installations and (installation revenue)

Each SDM 100 company provided much more than their annual revenue and number of accounts. They also gave us a look at who they are, what their specialties are, and how many people they employ. Revenue figures for installations do not include monitoring or service.

Operating on a large scale helped Post Alarm Systems, Arcadia, CA, secure the tenth slot in the SDM 100 residential listing, which starts on page 84.

SDM 100

Dealer Focus: Commercial

Each of these 64 companies does more than 50% of its business in commercial, industrial, and institutional security.

1 ADT Security Systems Inc.
Parsippany, NJ

1990 revenue (millions): $595
Number of accounts: 560,000

An established national firm, more recently known for Safewatch, a low-cost residential security system. ADT has 163 branches.

2 Honeywell Protection Services Division, Minneapolis, MN

1990 revenue (millions): $195 [illegible]n
Number of accounts: 130,000*

Honeywell has 55 offices and employs 2,400 security professionals.

*estimate

3 Wells Fargo Alarm Services
King of Prussia, PA

1990 revenue (millions): $175*
Number of accounts: 110,000*

Wells Fargo has been in business since 1962, providing UL-certified central station burglar and fire alarm services, alarm response, and installation and service of proprietary security systems. The company has 34 branches.

*estimate

4 National Guardian
Greenwich, CT

1990 revenue (millions): $160
Number of accounts: 180,000

National Guardian designs, services, installs, and monitors a total security package, including CCTV, card access, burglar alarm, and fire alarm systems. It operates 75 branches and employs a staff of 2,000. 1990 stats: $14,000,000 in residential installation revenue; $56,000,000 in non-residential installation revenue.

5 Holmes Protection Inc.
New York, NY

1990 revenue (millions): $68.7
Number of accounts: 35,000

Holmes Protection has been in the security business since 1858. It employs a staff of 775 at six locations. Holmes owns the Dictograph Franchise Corp. It generated $2,000,000 in residential installation revenue and $8,000,000 in non-residential installation revenue.

6 SecurityLink Corp.
Orange, CT

1990 revenue (millions): $65
Number of accounts: 160,000

SecurityLink has acquired 60 companies in its four years of existence. It employs 1,000 people at 21 branches. The company operates seven regional central stations.

7 API Security Inc.
Culver City, CA

1990 revenue (millions): $47
Number of accounts: 21,000

As a newly acquired subsidiary of Automated Security Holdings plc, API is working toward becoming a total loss prevention security company. It has 780 employees and 10 offices. 1990 stats: 250 residential installations ($450,000); 5,500 non-residential installations ($[illegible]00,000).

8 Thorn Automated Systems Inc.
Westlake, OH

1990 revenue (millions): $45
Number of accounts: 8,000

Thorn designs, manufactures, installs, and services integrated systems sold through its authorized dealer/distributor network. It operates out of one location with a staff of 330 people. 1990 stats: zero residential installations; 500 non-residential installations.

9 Bay Alarm Company
Walnut Creek, CA

1990 revenue (millions): $30
Number of accounts: 30,000

Family owned and operated since 1946. Company serves northern California and Santa Barbara/Ventura markets. Bay Alarm, a member of Security Network of America, has 360 employees, and eight offices.

10 Kastle Systems Inc.
Arlington, VA

1990 revenue (millions): $23.5
Number of accounts: 38,200*

Kastle provides access control security services and facilities management services exclusively to commercial office buildings. A staff of 400 is employed at six locations. 1990 stats: zero residential installations; 2,000* non-residential installations ($7,764,000).

*tenants

11 AFA Protective Systems Inc.
Syosset, NY

1990 revenue (millions): $22.7
Number of accounts: 9,000

In business for 118 years, AFA has four branches and 270 employees. Fire alarm systems make up 75% of its customer base. 1990 stats: 200 residential installations ($500,000); 1,600 non-residential ($5,000,000).

12 Guardian Alarm Corp.
Southfield, MI

1990 revenue (millions): $22
Number of accounts: 35,000

Guardian Alarm emphasizes customer service. A member of Security Network of America, the company employs 310 people at two offices. 1990 stats: 1,900 residential installations ($2,375,000); 900 non-residential installations ($4,415,000).

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13 Comsec Narragansett Security Inc., Weatogue, CT

1990 revenue (millions): $20
Number of accounts: 16,000

Comsec Narragansett has six offices and a staff of 200.

14 PC Security Inc. T/A Westec Security Systems, Pittsburgh

1990 revenue (millions): $20
Number of accounts: 20,000

Parent company's (The Philadelphia Contributionship) roots date to 1756 when founded by Benjamin Franklin. PC Security has eight offices and 350 employees. 1990 stats: 2,400 residential installations ($6,000,000); 1,100 non-residential installations ($5,000,000).

15 Consolidated Southern Security Inc., Clearwater, FL

1990 revenue (millions): $19
Number of accounts: 23,000

SDM's 1990 Dealer of the Year, Consolidated Southern Security owns two national franchises: Sonitrol for commercial installations, and Dictograph for residential. Its customer base is served from seven locations and by 280 employees. It is a member of Security Network of America. 1990 stats: 2,700 residential installations ($2,000,000); 3,500 non-residential ($2,900,000).

16 Sonitrol Management Alexandria, VA

1990 revenue (millions): $18
Number of accounts: 11,000

A group of 15 Sonitrol franchises owned and operated by the franchisor.

17 Midstate Security Co. Grand Rapids, MI

1990 revenue (millions): $16
Number of accounts: 2,500

Midstate designs electronic perimeter protection systems and cell-door control systems for prisons and jails. It has 100 people on staff at one location. 1990 stats: 450 residential installations ($1,125,000); 200 non-residential ($660,000).

18 Smith Alarm Systems Dallas, TX

1990 revenue (millions): $13.1
Number of accounts: 8,500

Smith Alarm Systems has been independently owned and operated since 1903. It offers multiplex and radio back up from a UL-listed and FM-approved central station. A member of Security Network of America, Smith employs 125 people at three branches. 1990 stats: 1,100 residential installations ($1,000,000); 800 non-residential installations ($4,500,000).

19 Racal-Chubb Security Systems Inc., Austin, TX

1990 revenue (millions): $12
Number of accounts: 9,000

Racal-Chubb Security Systems is a full-service company with a strong technical foundation. The company employs 165 people at four offices. 1990 stats: 1,000 residential installations ($1,600,000); 1,300 non-residential installations ($6,400,000).

20 Robinson Alarm Co. Philadelphia, PA

1990 revenue (millions): $11.0*
Number of accounts: 11,000*

UL-listed and FM-approved central station.

*estimate

21 Koorsen Protection Services Indianapolis, IN

1990 revenue (millions): $10.7
Number of accounts: 15,000

Koorsen offers a large line of products and services, including fire extinguisher sales and service. Fire alarms comprise 65% of its business. It has 130 employees at seven locations.

Midstate found a niche in jail security systems

The staff at Midstate Security Co., Grand Rapids, MI, spends a lot of time in jail. That's because the company's specialty is designing and installing electronic security and protection systems for prisons and jails.

Midstate, ranked No. 17 on the SDM 100 commercial list, opened its doors in 1983 as a subsidiary of an electrical contracting firm. Its first installation job was part of a big electrical contract for a hotel, the first of many commercial jobs.

In the mid-1980s, the state of Michigan funded a large prison building program. This presented a new opportunity for Midstate and operations manager Garry Duram.

"We felt there could be a niche for us because the state was looking at electronic devices rather than at guards," Duram says.

The market panned out. Since then, Midstate has installed approximately 35 correctional institution security systems. The firm custom designs and installs cell-door monitoring systems, personal protection systems for guards, electronic perimeter security systems, and permanent and mobile graphic displays.

The cell-door monitoring system lets a guard at a central console open, close, and monitor all the cell doors in a facility.

The personal protection system allows guards to signal when they're in trouble by pushing a button on a portable transmitter. One of several receivers gets the signal and sends it to a signal comparator for analysis. The signal's strength helps to determine the guard's location.

Midstate's perimeter security system generates an electronic field around a premises. The system may be buried, or fence- or pole-mounted. When the electronic field is broken, an alarm is generated. Duram says the perimeter systems eliminate the need for guard towers.

A graphic display at the facility's "Command Center" shows any security zones that have been violated. Midstate equips patrol vehicles with mobile graphic displays so patrolling guards can see and respond to security breeches from outside.

Duram says the prison and jail security contracts range from $1 to $1.5 million each. Midstate currently is working on a system that will include 500 monitored doors and "hundreds of miles of wire." The project will take about 18 months to complete.

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Dealer Focus: Commercial

The SDM 100 companies manage 2.8 million subscriber accounts and employ an estimated 25,000 people. In total they grossed $2.32 billion last year.

22 Forest Security Systems Inc. River Grove, IL

1990 revenue (millions): $10
Number of accounts: 5,000

In addition to alarms, Forest is one of the largest cellular telephone companies in Chicago. It has two branches and 121 people on staff. 1990 stats: 250 residential installations ($500,000); 250 non-residential ($4,000,000).

23 MSI Security Systems Inc. Kearny, NJ

1990 revenue (millions): $10
Number of accounts: 500

CCTV and access control make up 90% of the company's business. MSI employs 35 people at one location. 1990 stats: zero residential installations; 200 non-residential installations ($5,000,000).

24 Security Signal Devices Santa Fe Springs, CA

1990 revenue (millions): $8.9
Number of accounts: 7,000

Security Signal Devices has a UL-listed central station. Sixty percent of business is burglar alarms. It operates five offices and has 85 employees.

25 Alarm Detection Systems of Illinois Inc., Aurora, IL

1990 revenue (millions): $8.3
Number of accounts: 8,000

Company is a founding member of Security Network of America and *SDM's* 1984 Dealer of the Year. Alarm Detection Systems prides itself on service and professional employees. At one site it has a staff of 105 people. 1990 stats: 200 residential installations ($800,000); 500 non-residential installations ($2,400,000).

26 Commonwealth Security Systems Inc., Lancaster, PA

1990 revenue (millions): $8.3
Number of accounts: 10,000

Commonwealth is a founding member of Security Network of America, and is *SDM's* 1982 Dealer of the Year. The company encourages employees' community involvement; many of its 117 employees are volunteer fire fighters and Red Cross volunteers. Commonwealth has nine branches. 1990 stats: $900,000 in residential installation revenue; $2,700,000 in non-residential.

27 Central District Alarm Inc. St. Louis, MO

1990 revenue (millions): $7.5
Number of accounts: 8,800

SDM's 1985 Dealer of the Year. Central District Alarm was founded in 1952, and has been family owned and operated for three generations. It is marketing a new computerized monitoring system that transmits alarm signals to police departments in seconds. A member of Security Network of America, CDA has a staff of 96 at one office.

28 Sonitrol Security Systems of Hartford Inc., Hartford, CT

1990 revenue (millions): $8.2
Number of accounts: 8,200

Sonitrol Security Systems of Hartford features the Sonitrol product. It employs 88 people at one office. 1990 stats: 250 residential installations ($500,000); 150 non-residential installations ($1,700,000).

29 Per Mar Security & Research Corp., Davenport, IA

1990 revenue (millions): $6
Number of accounts: 10,000

Per Mar offers alarms, guards, CCTV, access control, mobile patrol, investigations, market research, Halon systems, fire extinguishers, and hood-duct and range fire suppression systems. The company has 150 employees at three locations. 1990 stats: 300 residential installations ($300,000); 300 non-residential installations ($800,000).

30 San Diego Alarm Co. San Diego, CA

1990 revenue (millions): $6
Number of accounts: 7,000*

San Diego Alarm operates a UL-listed central station, with security clearance for Department of Defense work. It specializes in major system sales, access control, and CCTV systems. The 61-year-old company has 100 employees operating at one office.

*estimate

31 Security Corp. Royal Oak, MI

1990 revenue (millions): $6
Number of accounts: 1,200

Security Corp. specializes in system integration for large customers using a diverse product line. The company operates out of three locations with a staff of 73. 1990 stats: 50 residential installations ($300,000); 400 non-residential installations ($3,000,000).

32 United Protective Systems New York, NY

1990 revenue (millions): $6
Number of accounts: 6,000

Company provides some CCTV and medical alert services in addition to burglar alarms. It employs 45 people at one location. 1990 stats: 200 residential installations ($200,000); 500 non-residential ($675,000).

33 American Alarm Systems Santa Ana, CA

1990 revenue (millions): $5.7
Number of accounts: 10,000

American Alarm Systems was founded in 1958. It employs 75 people at one location. 1990 stats: 600 residential installations ($350,000); 720 non-residential installations ($1,850,000).

34 Security Inc. Bethesda, MD

1990 revenue (millions): $5.5
Number of accounts: 6,000

SDM's 1989 Dealer of the Year, Security Inc. offers both low-end and high-end systems. It employs 90 people at one location. 1990 stats: 200 residential installations ($633,815); 438 non-residential installations ($2,803,432).

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Dealer Focus: Commercial

35 Norman Security Systems
Chicago, IL

1990 revenue (millions): $5.3
Number of accounts: 3,000

Norman Security Systems has been in business since 1956. The company has 50 employees at one location. 1990 stats: 360 residential installations ($1,200,000); 640 non-residential installations ($4,100,000).

36 Alert Alarm Inc.
Honolulu, HI

1990 revenue (millions): $5.1
Number of accounts: 5,500

Alert Alarm operates on five major Pacific islands, which entails "interesting logistics and service problems." The company employs 74 people at four branches. It is a member of Security Network of America. 1990 stats: 480 residential installations ($1,300,000); 537 non-residential installations ($369,000).

37 General Security Systems
Long Beach, CA

1990 revenue (millions): $5
Number of accounts: 8,000

General provides turnkey security systems. It installs, services, and monitors fire and burglar alarm systems, card access, and CCTV using multiple panels and a variety of equipment. It employs 60 people at one operation. 1990 stats: 300 residential installations ($450,000); 500 non-residential installations ($2,000,000).

38 Security One
Mentor, OH

1990 revenue (millions): $5
Number of accounts: 10,000

Security One features extensive automated service tracking and monitoring. The company operates with 90 employees and three locations. 1990 stats: 100 residential installations ($250,000); 300 non-residential installations ($1,200,000).

39 Vivitar Security Systems Inc.
Torrance, CA

1990 revenue (millions): $5
Number of accounts: 2,800

Vivitar Security Systems provides custom design, mobilization, installation, and service of integrated systems. A project management team is assigned to each client for continuing service and support. One office location supports Vivitar's 51 employees. 1990 stats: 30 residential installations ($100,000); 300 non-residential systems ($2,500,000).

40 Security Communications Inc.
Bellerose, NY

1990 revenue (millions): $4.7
Number of accounts: 7,000

Company is strong in burglar alarm work, and also offers fire, CCTV, and access control services. It has 75 employees. 1990 stats: 350 residential installations ($550,000); 450 non-residential installations ($850,000).

41 Supreme Security Systems Inc., Hillside, NJ

1990 revenue (millions): $4.7
Number of accounts: 1,500

Supreme Security Systems has been owned and operated for 62 years by the same family. The company employs 70 people at one office. It is a member of Security Network of America. 1990 stats: 109 residential installations ($259,383); 152 non-residential installations ($453,012).

42 George Alarm Co. Inc.
Springfield, IL

1990 revenue (millions): $4.5
Number of accounts: 4,500

Family owned and operated for 35 years. George Alarm has four offices and a staff of 50. 1990 stats: 100 residential installations ($120,000); 400 non-residential installations ($400,000).

43 National Security Service Inc.
Raleigh, NC

1990 revenue (millions): $4.4
Number of accounts: 14,600

National Security emphasizes customer service in all areas—administration, accounting, sales, installation, and service. A member of Security Network of America, it has four offices and 72 employees. 1990 stats: 300 residential installations ($384,000); 470 non-residential installations ($885,000).

44 Automatic Detection Systems Inc., Birmingham, AL

1990 revenue (millions): $4
Number of accounts: 6,000

Largest independent security company in Alabama, offering burglar alarms, fire protection systems, CCTV, and access control to homes and businesses. The firm employs 58 people at one office. 1990 stats: 300 residential installations ($750,000); 285 non-residential ($875,000).

45 Central Control Alarm
Milwaukee, WI

1990 revenue (millions): $4*
Number of accounts: 6,000*

The company has three offices and a staff of 50.

*estimate

46 The Greater Alarm Co., Inc.,
Huntington Beach, CA

1990 revenue (millions): $3.8
Number of accounts: 3,150

SDM's 1988 Dealer of the Year. Ongoing employee training (50 staff members) and customer input were responsible for improvements that helped The Greater Alarm Co. to be named on *Inc.* magazine's 500 list three consecutive years. 1990 stats: 360 residential installations ($850,000); 250 non-residential installations ($1,050,000).

47 Alarm Data Corp.
Beltsville, MD

1990 revenue (millions): $3.7
Number of accounts: 3,850

Alarm Data is self-described as being "aggressive in marketing and having national sales and installation ability." It operates nine locations with a staff of 72. 1990 stats: 425 residential installations ($520,000); 325 non-residential installations ($325,000).

48 Pacific Alarm Systems Inc.
Culver City, CA

1990 revenue (millions): $3.6
Number of accounts: 4,000

Pacific Alarm Systems has been in business under the same owner-operator since 1953. It has 45 employees at one location. 1990 stats: 200 residential installations ($450,000); 400 non-residential installations ($250,000).

49 AIC Security Systems Inc.
Chicago, IL

1990 revenue (millions): $3.5
Number of accounts: 500

AIC Security is a full-service security company, providing design, installation, and support for integrated systems. 1990 stats: 20 residential installations ($150,000); 150 non-residential ($3,000,000).

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Dealer Focus: Commercial

50 Delta Audio-Visual Security Inc., New Orleans, LA

1990 revenue (millions): $3.3
Number of accounts: 1,000

Delta employs two electronic engineers among 38 total employees at three locations. 1990 stats: zero residential installations; 120 non-residential installations ($2,800,000).

51 Allstate Security Industries Inc., Amarillo, TX

1990 revenue (millions): $3.2
Number of accounts: 3,500

Allstate Security, in business since 1926, provides guards, patrol, investigation, employee screening, CCTV, access control, and computer media vault storage. It has a UL-listed and FM-approved central station serving five states plus Mexico. 1990 stats: 375 residential installations ($30,000); 358 non-residential installations ($450,000).

52 Monroe-Meadows/dba Dallas Security Systems, Dallas, TX

1990 revenue (millions): $3
Number of accounts: 2,000

In the past eight years, Dallas Security Systems has developed its own nationally marketed DSX access control systems. It has 40 people employed at one location. 1990 stats: 60 residential installations ($90,000); 75 non-residential installations ($1,500,000).

53 Protect Alarms Allentown, PA

1990 revenue (millions): $3
Number of accounts: 5,000

Protect has been in business more than 25 years. It has a staff of 53 people at three branches. 1990 stats: 125 residential installations ($300,000); 250 non-residential installations ($1,000,000).

54 Schirmer-National Alarm Co. Bergenfield, NJ

1990 revenue (millions): $3
Number of accounts: 2,000

Schirmer-National Alarm Co. has been in business 42 years. It employs 55 people at one office. 1990 stats: 50 residential installations ($40,000); 100 non-residential installations ($205,000).

55 Wyandotte Alarm Co. Wyandotte, MI

1990 revenue (millions): $2.9
Number of accounts: 5,000

Wyandotte focuses on customer satisfaction and reliable devices. The company is a First Alert dealer and offers long-range radio monitoring through the AlarmNet network. It has 55 employees at one office. 1990 stats: 350 residential installations ($400,000); 400 non-residential installations ($350,000).

56 D&W Central Station Alarm Co. Inc., New York, NY

1990 revenue (millions): $2.5
Number of accounts: 3,000

D&W Central Station Alarm Co. is family owned and operated. It has 40 staff members at one office. 1990 stats: 15 residential installations ($20,000); 200 non-residential installations ($350,000).

57 Security General Corp. Sunnyvale, CA

1990 revenue (millions): $2.5
Number of accounts: 1,350

Security General offers fire protection, burglar alarms, card access systems, CCTV, and integrated systems, as well as guard and patrol services. Sixty employees serve its customer base from two locations. 1990 stats: 9 residential installations ($21,665); 320 non-residential installations ($1,164,828).

58 Sonitrol Pacific Portland, OR

1990 revenue (millions): $2.4
Number of accounts: 2,000

Sonitrol Pacific employs 42 people at two locations. 1990 stats: 40 residential installations ($90,000); 220 non-residential installations ($655,000).

59 Electrosecurity Corp. Van Nuys, CA

1990 revenue (millions): $2.3
Number of accounts: 2,500

Electrosecurity provides turnkey systems that include burglar and fire alarms, access control, and CCTV. A staff of 35 work out of one office. 1990 stats: 35 residential installations ($100,000); 200 non-residential installations ($400,000).

60 Electronix Systems Central Stn. Alarms, Hntgtn. Stn., NY

1990 revenue (millions): $2.2
Number of accounts: 12,000

From its UL-listed and FM-approved central station, Electronix Systems provides long-range radio monitoring and downloading. The company has 42 employees at one office. 1990 stats: 185 residential installations ($225,000); 218 non-residential installations ($834,500).

61 The Protection Bureau Uwchland, PA

1990 revenue (millions): $2.1
Number of accounts: 2,950

The Protection Bureau is family owned and operated. All installers, servicemen, salespeople, the central station manager, and service department administrator are required to be NBFAA Level 1 certified. A staff of 35 people operate out of one location. 1990 stats: 176 residential installations ($440,000); 152 non-residential installations ($660,000).

62 ACP Security Systems Richmond, VA

1990 revenue (millions): $2
Number of accounts: n/a

ACP Security Systems' self-described mission is "to provide the highest degree of simple, inexpensive, but reliable electronic protection possible." A staff of 40 people operate from two offices.

63 Eastern Security Systems Portland, ME

1990 revenue (millions): $2
Number of accounts: 4,000

SDM's 1986 Dealer of the Year. Eastern features a UL-listed and FM-approved central station. The company has 41 employees. 1990 stats: 200 residential installations ($340,000); 240 non-residential ($500,000).

64 Kerman Protection Systems Inc., New York, NY

1990 revenue (millions): $2
Number of accounts: 1,200

Kerman is a private company whose accounts fall within a 10-block radius of headquarters. Guard response is offered. A staff of 45 people works out of two locations. 1990 stats: 4 residential installations; 170 non-residential installations ($200,000).

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SDM 100

Dealer Focus: Residential

These 36 companies devote more than 50% of their efforts to secure homes, apartments, and other residences.

1 The Alert Centre
Englewood, CO

1990 revenue (millions): $80
Number of accounts: 250,000

The company is principally in the business of purchasing recurring revenue. These figures reflect operations, such as Ackerman Security Systems, Sentry Protective Systems, and Emergency Network, at 25 locations with 1,800 staff personnel. 1990 stats: 3,561 residential installations ($4,000,000); 1,187 non-residential installations ($2,000,000).

2 Westec Security Inc.
Irvine, CA

1990 revenue (millions): $60*
Number of accounts: 55,000*

Westec has seven branches.

*estimate

3 Dictograph Franchise Corp.
Edison, NJ

1990 revenue (millions): $50*
Number of accounts: 50,000

Dictograph offers franchise support in sales, marketing and technical areas. It has 54 franchise operations. 1990 stats: 5,000 residential installations ($10,000,000); 1,000 non-residential installations ($2,000,000).

*figure reflects franchise operations

4 Rollins Protective Services Inc.
Atlanta, GA

1990 revenue (millions): $50
Number of accounts: 100,000

Rollins was founded in 1969. With 700 employees at 43 branches, the company provides custom residential alarm systems using a wireless product line. Expansion into commercial markets and into Western territories is planned for the future. 1990 stats: 6,500 residential installations ($12,000,000); 3,500 non-residential installations ($6,000,000).

5 Dynamark Security Centers Inc., Hagerstown, MD

1990 revenue (millions): $48.9
Number of accounts: 27,000

Dynamark is a franchisor, product supplier, and wholesale/retail central station operator. Franchisees plus headquarters comprise 129 locations and 461 employees. 1990 stats: 8,022 residential installations ($17,929,170); 6,343 non-residential installations ($22,274,900).

6 Network Security Corp.
Irving, TX

1990 revenue (millions): $48
Number of accounts: 200,000

Figures include Network Multi-Family Security and Network City Branches. Large multi-family account base. Network has 20 locations and 450 employees. 1990 stats: 25,000 residential installations; 1,000 non-residential.

7 Brink's Home Security Inc.
Carrollton, TX

1990 revenue (millions): $47
Number of accounts: 150,000

Brink's pioneered the low-cost alarm system concept. Subscriber growth from internal sources is among the fastest in the industry. The company employs 700 people at 32 branches. 1990 stats: 37,000 residential installations ($14,000,000); 2,000 non-residential installations ($1,000,000).

8 Denver Burglar Alarm
Denver, CO

1990 revenue (millions): $15*
Number of accounts: 16,000*

Denver Burglar Alarm is celebrating its 99th year in business. More than 99% of its systems are leased. The firm has three offices.

*estimate

9 Security Data Group
Englewood, CO

1990 revenue (millions): $12.7
Number of accounts: 93,000

Owns security alarm installation companies and accounts, representing 120 security professionals at six locations. 1990 stats: 6,120 residential installations ($2,109,000); 195 non-residential installations ($234,000).

10 Post Alarm Systems
Arcadia, CA

1990 revenue (millions): $11.8
Number of accounts: 11,000

Featured on this month's front cover, Post Alarm has 75 employees at two locations. In-house services include installation, monitoring, service, patrol, and armed response. 1990 stats: 900 residential installations ($1,350,000); 600 non-residential ($1,680,000).

11 Custom House Inc.
Lacey, WA

1990 revenue (millions): $8.5
Number of accounts: 18,000

Custom House is an authorized Sears security systems dealer. Growth is internal rather than through acquisition. A staff of 200 people works out of 10 offices. 1990 stats: 3,800 residential installations ($4,000,000); 400 non-residential installations ($400,000).

12 Kertz Security Systems Inc.
Fort Lauderdale, FL

1990 revenue (millions): $8
Number of accounts: 14,000

Kertz is a 42-year old, family-owned company operating out of two locations. Exceptional employees from among its 160 staff members are identified early and promoted agressively. 1990 stats: 2,000 residential installations ($3,500,000); 1,000 non-residential installations ($900,000).

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13 Ranger American Inc.
San Antonio, TX

1990 revenue (millions): $6.9
Number of accounts: 9,500

Ninety percent of Ranger's business is residential. The company employs 250 people at four offices. 1990 stats: 4,000 residential installations ($4,066,246); 200 non-residential installations ($410,000).

14 Diversified Alarm Inc.
Toledo, OH

1990 revenue (millions): $6.5
Number of accounts: 12,400

Diversified has a UL-listed, fully computerized central station and a complete duplicate central station at another location. At three locations, 112 people are employed. 1990 stats: 1,230 residential installations ($2,214,000); 300 non-residential installations ($750,000).

15 American Home Security
Van Nuys, CA

1990 revenue (millions): $6
Number of accounts: 10,300

Specializes in residential security and offers patrol and armed response. The company has been in business in the same area for 17 years and has 92 employees. 1990 stats: 435 residential installations ($1,048,407); 67 non-residential ($170,672).

16 Crime Blocker Inc.
Fern Park, FL

1990 revenue (millions): $6
Number of accounts: 3,000

Company installs and monitors AT&T security systems modified for two-way voice. Average sale price is more than $3,000. It installed 166 systems in January 1991. Crime Blocker has six offices and 150 employees. 1990 stats: 1,600 residential installations ($5,000,000); 25 non-residential installations ($35,000).

17 Protective Alarms Inc.
Cos Cob, CT

1990 revenue (millions): $6
Number of accounts: 7,000

Company emphasizes quality and service over price. A fourth of its business is fire-alarm related. It employs 75 people at one location. 1990 stats: 500 residential installations; 200 non-residential installations ($2,600,000 combined).

18 Guardian Protection Services Inc., Pittsburgh, PA

1990 revenue (millions): $5.5
Number of accounts: 8,640

Guardian Protection "has created a business culture to attract and maintain a high level of industry professionals—from management to installation—who are highly paid and highly motivated." A staff of 86 works out of one office. 1990 stats: 886 residential installations ($1,635,000); 208 non-residential installations ($1,460,000).

19 All Time Detection Inc.
Port Chester, NY

1990 revenue (millions): $4
Number of accounts: 10,000

All Time prepares flexible proposals to meet its customers' budgets. A staff of 45 works out of three offices. 1990 stats: 425 residential installations ($2,000,000); 175 non-residential installations ($1,600,000).

20 Midnight Burglar Alarm Systems Inc., Flint, MI

1990 revenue (millions): $4
Number of accounts: 5,500

Midnight has been in the alarm business for more than 65 years, and it was one of the first independently owned U.S. alarm companies to computerize its central station. A staff of 60 works out of one office. 1990 stats: 525 residential installations ($400,000); 275 non-residential installations ($300,000).

21 Pacesetter Corp., Security Division, Omaha, NE

1990 revenue (millions): n/a
Number of accounts: 8,500

A division of Pacesetter Corp., which sells home improvement products, the Security Division has 41 people employed at three offices. 1990 stats: 1,200 residential installations; zero non-residential installations.

Cellular monitoring gives Post Alarm an edge

Post Alarm Systems plans to be the largest independent alarm company in southern California within 10 years, by both acquiring alarm businesses and by selling security systems in "onesies and twosies," said Michael Feldman, vice president and general manager of the Arcadia, CA, based company.

Post, which ranks No. 10 on the SDM 100 residential listing, was founded in 1956 as Post Patrol by the late Sam Post, a former police chief. At the time, the company offered only patrol services. In 1971, Post expanded to its offerings to include electronic security systems. Sam's son, Bill, now heads the firm.

Post has experienced 20% growth over the past three years, Feldman says. Recently, Post created a new niche by offering Cellularm, a cellular network that operates in the 486-MHz business-band radio spectrum. Post is marketing the technology as a backup to digital alarm transmission at high-risk premises.

Post's central station currently has 100 customers using Cellularm. The company invested $7,000 to add the necessary equipment to its central station.

Feldman is one of many who believe that cellular technology is the signaling technology of the future and plans to have Post Alarm in a position to take full advantage of the opportunities.

A turning point in Post Alarm's growth, according to Feldman, was the acquisition of three businesses during the mid-1980s. Two other acquisitions, one just completed and another in the works, will net the company 1,700 new accounts and better market penetration.

Feldman and Ella Powers (right), central station manager, look over the equipment used in Post's Cellularm signaling network.

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Dealer Focus: Residential

22 Alarms Unlimited
Plainview, NY

1990 revenue (millions): $3.6
Number of accounts: 7,250

Company emphasizes customer service and courtesy. It has 51 employees at two offices. 1990 stats: 480 residential installations ($680,000); 85 non-residential installations ($103,000).

23 Wolverine Electronics Security Systems Inc., Flint, MI

1990 revenue (millions): $3.3
Number of accounts: 10,129

Employees participate in weekly technical training in special training centers. There are 55 employees at two offices. Company offers 10-year warranties and four-hour response time. 1990 stats: 1,500 residential installations ($2,053,500); $144,000 in non-residential installation revenue.

24 American Alarm & Communications, Arlington, MA

1990 revenue (millions): $3.2
Number of accounts: 5,600

American emphasizes employee and customer care. A member of Security Network of America, the company has a staff of 50 and one office. 1990 stats: 180 residential installations ($670,000); 160 non-residential installations ($410,000).

25 Night Owl Security Inc.
Landover, MD

1990 revenue (millions): $3.2
Number of accounts: 3,900

Night Owl Security was formed in 1984 through a merger of three alarm companies. It operates with a staff of 60 people at one office. The company has worked for the U.S. Justice Dept., Treasury Dept., and the FBI. 1990 stats: $1,085,000 in residential installation revenue; 575 non-residential installations ($746,000).

26 Beachwood Security Systems
Warrensville Heights, OH

1990 revenue (millions): $3.1
Number of accounts: 7,000

Family owned and operated by six brothers. Beachwood Security has 48 employees at two locations. 1990 stats: 650 residential installations ($1,000,000); 200 non-residential installations ($400,000).

27 All-Guard Systems Inc.
Hayward, CA

1990 revenue (millions): $2.8
Number of accounts: 10,234

All-Guard has 45 employees at one location. A small percent of business is home automation. 1990 stats: 1,063 residential installations ($944,926); 275 non-residential ($350,599).

28 Lake Norman Security Systems, Statesville, NC

1990 revenue (millions): $2.6
Number of accounts: 7,000

Lake Norman Security has been family owned and independently operated since 1963. It has 39 employees at one location. 1990 stats: 327 residential installations ($523,200); 60 non-residential installations ($390,000).

29 Safeguard Security Services
Phoenix, AZ

1990 revenue (millions): $2.6
Number of accounts: 3,000

Safeguard has served the Phoenix residential market for nearly 33 years. The company also has experience in the home automation market. It has 45 employees at one location. 1990 stats: 400 residential installations ($1,075,000); 50 non-residential systems ($10,000).

30 American Security and Investigation, Bloomington, IN

1990 revenue (millions): $2.5
Number of accounts: 4,000

Company's staff committed to customer service. Fifty employees work out of four offices. Eighty percent of American's business is burglar alarms. 1990 stats: 400 residential installations ($1,000,000); 100 non-residential installations ($200,000).

31 Home Security Specialists
Calabasas, CA

1990 revenue (millions): $2.3
Number of accounts: 4,700

Home Security Specialists provides full service to primarily the residential market. It has been in business for 18 years, and has two offices. 1990 stats: 300 residential installations ($750,000); 15 non-residential installations ($38,000).

32 Westco
Minneapolis, MN

1990 revenue (millions): $2.3
Number of accounts: 4,000

Westco is Minnesota's largest exclusively residential security company, and the largest installer of UL-certified residential systems in the United States. Thirty-four people are employed by the firm at one location. 1990 stats: 427 residential installations ($775,000); zero non-residential installations.

33 Alarm Engineering
East Longmeadow, MA

1990 revenue (millions): $2.1
Number of accounts: 2,500

Alarm Engineering has the only UL-listed and FM-approved central station in western Massachusetts. It operates out of one location with a staff of 45. The company also is a First Alert dealer. 1990 stats: 600 residential installations ($1,200,000); 150 non-residential installations ($300,000).

34 Security Partners Inc.
Fort Worth, TX

1990 revenue (millions): $2.0*
Number of accounts: 8,000*

Installation is free. Subscribers sign a two-year monitoring contract.

*estimate

35 Westinghouse Security Systems, Las Colinas, TX

1990 revenue (millions): $2.0*
Number of accounts: 10,000*

Westinghouse started operating in mid-1990 with a zero customer base. It is part of Westinghouse Electric Corp.'s Electronic Systems Group.

*estimate

36 Richmond Alarm Co.
Richmond, VA

1990 revenue (millions): $1.8
Number of accounts: 2,500

Richmond Alarm has been family owned since 1947. Its central station provides monitoring for 75 dealers. The company operates out of one office and has 41 employees. 1990 stats: 220 residential installations ($540,000); 80 non-residential installations ($125,000).

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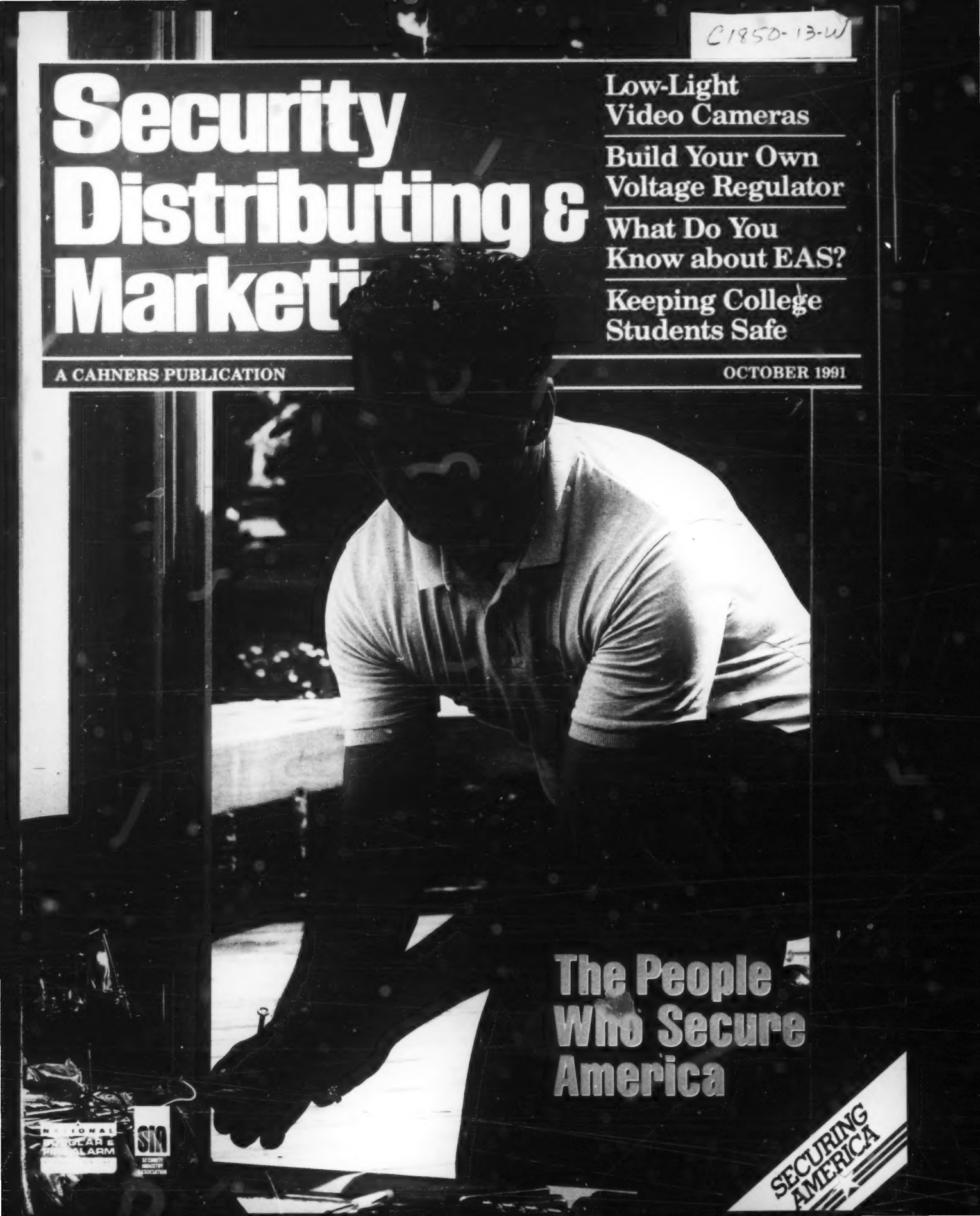

The People Who Secure America

SECURING AMERICA

Security Distributing & Marketing®

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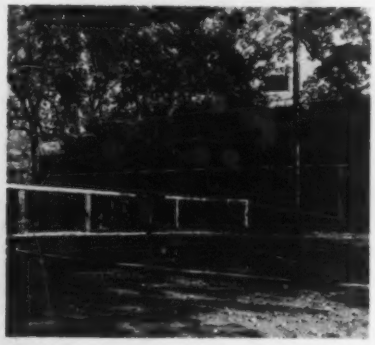

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ABOUT THE COVER

David Kopan, owner of Security Tech Associates, West Allis, WI, likes the security industry because it allows him to work independently. Find out what others like and dislike in *SDM*'s Industry Profile, page 62.

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Meet the People Who Secure America

How well do you know your colleagues? Here's some insight into the type of person that works in the electronic security industry.

Every security professional has a story to tell about how he got into the alarm business, what he likes and dislikes about it, what he does after punching the clock, and what his societal concerns are. Security Distributing & Marketing *asked its readers several personal questions like these in an Industry Profile Survey in the May 1991 issue. By July 3, 399 usable responses had been received. This article is based on those answers.*

By Laura E. Stepanek
Senior Editor, SDM

Chances are, you have something in common with David and Marsha Kopan. Like most of *Security Distributing & Marketing*'s readers, the Kopans run a small, family-owned alarm company. He does the sales, installation, and technical service; she keeps the books and handles customer service. Like many security dealers, David and Marsha often wear many hats.

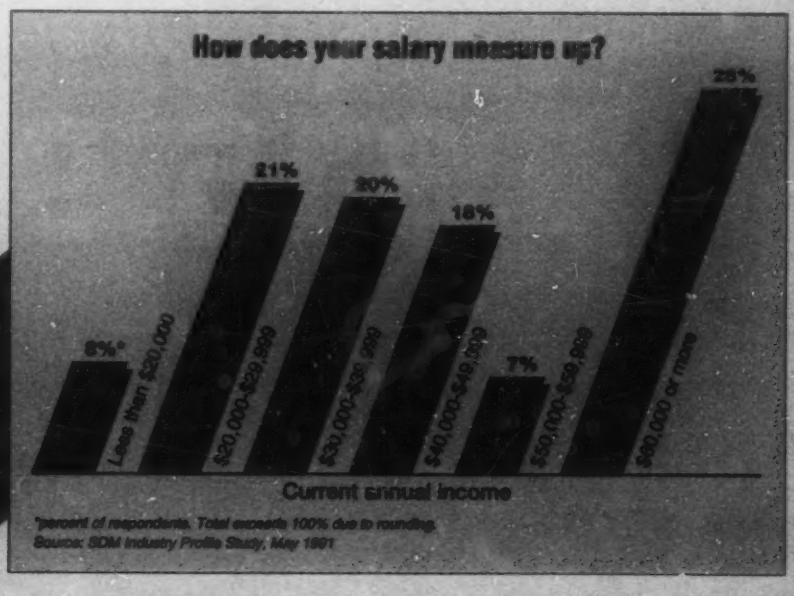
The Kopans founded Security Tech Associates of West Allis, WI, in 1983. Their specialty is high-end residential, custom-designed alarm systems. Working mostly on his own, David installs about three to five systems a month. Marsha describes her husband as a "perfectionist," an approach that has helped their company earn a reputation for high quality.

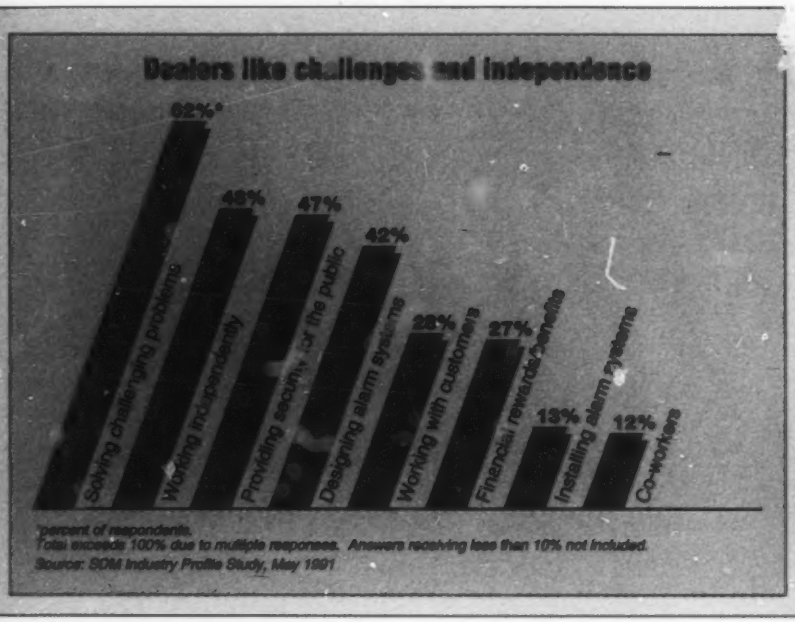
"Each security company has to find its niche. We do top-notch installations. We're not a million-dollar corporation, but I feel we are successful in what we are doing," Marsha says.

The Kopans are active in their community and in associations. David is chairman of the false alarm control team for the Wisconsin Burglar & Fire Alarm Association. He's a certified alarm technician and a certified locksmith.

Before becoming a security professional, David owned a remodeling business, so Security Tech Associates is active in the Milwaukee chapter of the National Association of Remodeling Industries' Home Improvement Council.

If your annual salary is under $40,000, you're in the same league as nearly 50% of the respondents to *SDM*'s Industry Profile Study. Of those who earn $60,000 annually, only 28% are under 40 years old.





...rking independently has given ...arsha and David Kopan (below) of Security Tech Associates the freedom to be creative. They designed and engineered a large booth with functional security products, which they use at home shows.

The council recently awarded a $35,000 remodeled "dream room" to a Milwaukee-area homeowner. Each council member donated a product or service for the room. Security Tech Associates donated an alarm system for the whole house (see front cover). In the past, the company has donated security systems to a public television station for use in a fund-raising auction.

"We're not just joiners. We do things in associations," says Marsha. "You have to go after [success] if you want it."

The husband-and-wife team juggles its security business, operated from a basement office at home, while raising three young daughters. Despite their normally hectic schedules—"It'll be easier once the kids are back in school," says Marsha—the Kopans point out that "independence" is the best thing about their business.

For example, they recently managed to set aside business needs and take a vacation to Wisconsin's north woods, where Marsha caught her first fish—a trout. (It was too small and she had to throw it back.)

Not everyone in the security industry considers himself as lucky as David and Marsha. Probably quite a few wish they, too, worked for themselves. Yet self-employed or not, many people have managed to attain a comfortable lifestyle, amenities, and fun hobbies on their earnings from the security industry.

Those earnings reach $60,000 or more a year for 28% of respondents to *SDM*'s Industry Profile Survey. Only 8% of security professionals earn less than $20,000 a year. Before you start kicking yourself because your salary falls in the lower end of the spectrum, you should know that among the survey respondents, 61% are security company owners, presidents, and vice presidents and 21% are managers. Installers, service technicians, salespeople, and other staff make up only 18%.

The age of respondents also has a bearing on salary. The study shows that of those who earn $60,000 or more, 6% are younger than 30, 22% are 30 to 39, 39% are 40 to 49, 24% are 50 to 59, and 10% are 60 years or older.

SDM also asked its readers what luxury items they had acquired during their security careers. A luxury car was the top answer, mentioned by 48% of respondents. Twenty-eight percent own a boat and 17% own a second home. Other luxury items include "college education for three children," "a good lifestyle," and "more companies."

Gene Riddlebaugh, vice president and general manager, as well as a stockholder, of Midwest Protective Services, Dayton, OH, has acquired a luxury car and several other luxury items during his 20-year career in the security industry. Riddlebaugh, who began as a central station operator at age 19, moved up through the ranks in installation, service, and sales before becoming a security company manager. He started his own security business about seven years ago.

When he's not playing softball or traveling (Florida and Mexico are popular wintering spots for Riddlebaugh), he's involved with developing marketing strategies for his security business.

"One of the most challenging things for me is marketing. Competition is a lot keener now than it was in the mid-1970s. In our market area in the '70s, there were about 15 alarm companies. Now there are about 100. The price of installations and monitoring has come way down, too. In the '60s and '70s, installations cost well over $2,000. Now you're lucky if you can get a grand," which makes it harder to make a profit, he says.

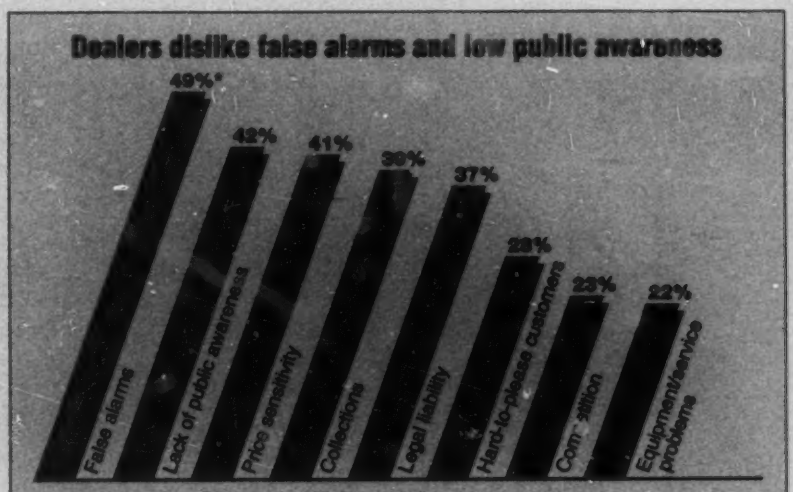
Solving challenging problems, whether it be outsmarting your competitors or troubleshooting an alarm panel, is the No. 1 answer, given by 62% of survey respondents, when asked what they like about the security industry.

For Larry Williams, president of Alarmworld Corp., a Security Alliance member company, based in Troy, MI, the challenge is similar to Riddlebaugh's—to educate potential customers about the variety of products that his company sells.

Alarmworld is "very diversified." In addition to selling and installing safes, locking devices (Williams began his ca-

The typical security industry professional is male, age 40, and earns $40,800 a year.

False alarms seem to be on everyone's hit list this year. However, issues that affect the sale of security systems, such as lack of public awareness and price sensitivity, also top the list of dealer dislikes in SDM's survey.



reer as a locksmith), closed-circuit television systems, and stolen-vehicle tracking systems, the company also has a spy shop, which handles all sorts of surveillance and counter-surveillance products.

"A customer we had the other day had seen a drug transaction he wasn't supposed to see. He feared for his life. He bought a secure phone, a bullet-proof vest, and a device that tells him if his phone is tapped," Williams says.

"I'm a certified protection professional and a member of the American Society for Industrial Security, as well as a member of a number of industry organizations. I read about 15 security publications a month. If there's a new product on the market, I know about it. That's my strong point," he says.

To meet the challenge of getting these products out in front of potential customers, Williams plans to open a 2,000-sq.-ft. showroom in Troy. In addition, his company puts on product shows for private investigators and distributes a catalog of security products.

"I've been in business for myself all my life," Williams says. "I don't like to have someone telling me what to do. I like to go out and talk to the public about security. Sure, alarms have their place, but so do locks and cameras and surveillance equipment."

William's inclination toward independence is shared with many others in the industry. In fact, working independently was mentioned by 48% of survey respondents as something they like about the alarm industry. The third most popular answer, noted by 47%, is providing security for the public, an area in which Riddlebaugh has seen many changes.

"The security industry has changed so much in the past 10 years. It used to be fun. The equipment and the people were interesting. Now the equipment is customer-*unfriendly*. It's too complicated to use," he says. Riddlebaugh prefers the simpler, old-fashioned approach to control and annunciation—a red and green LED.

What dealers *don't* like about the alarm industry are false alarms, mentioned by 49% of security professionals, lack of public awareness, 42%, and price sensitivity, 41%.

Because he works for a company that takes false alarms seriously, Derric Roof, operations/central station manager at Sonitrol of Tucson, Tucson, AZ, gets annoyed with companies that don't. In Roof's opinion, the customer ultimately loses.

In the ideal world, Roof would "stick to one product line and use it only for the best applications, heat-shrink and solder every connection, and provide great documentation on the panel. We're all working for the customer. We owe it to him to keep proper records."

Roof contends that, somehow, potential customers need to be warned that low-cost alarm systems could have a low life-expectancy and/or cause excessive false alarms. "The problem is that customers now go after price. They used to buy quality. Some companies sell a whole security system for $100. For us, one sensor could cost $100. Our industry is damaging our industry," Roof says.

Who are these people who install electronic security? *SDM*'s survey confirmed what most readers already know: the security industry is largely male in gender. In fact, 95% of your colleagues are men. These survey respondents represent business owners, managers, technicians, and salespeople. However, male predominance in the alarm industry probably is diluted if one considers that clerical and central station staffs are largely female.

"I think there are a lot of women in the background, as there are in many businesses," says Sandra Jones, president of Sandra Jones & Co., a consulting firm in Chardon, OH.

A security installing company headed by a female is rare. Such an operation often is started by a male and then passed on to his daughter or wife after his retirement or death.

Sue Sandifier is president of Burglar Alarms Inc., a residentially focused central station alarm company in Bossier City, LA. Sandifier's father owned the business before she did. Sandifier sees both advantages and disadvantages to being a woman in the security industry.

"People, especially females, like to buy [a security system] from me. They like

After hours, dealers can be found collecting cars, climbing mountains, and shaping bonsai.

to support another female," she says. However, "I don't get accepted too well among other alarm businesses."

Sandifier has a bachelor's degree in criminal justice—a higher degree than most professionals in the electronic security industry. Among the respondents to *SDM*'s survey, 37% have a high-school diploma, 32% have an associate's degree or equivalent, 23% hold a bachelor's degree, and 8% have earned a master's degree or higher.

If you're 30 to 49 years old, you are part of the largest age group in the industry, which comprises 65% of respondents. Those under 30 represent 14% of the industry's professionals, and people 50 and older represent 22%.

The age group of respondents could explain why the top answer to the survey's question about societal concerns is drug abuse, mentioned by 58% of security professionals. The majority of survey respondents grew up in the 1960s and 1970s, when the use of marijuana, LSD, and other drugs was more or less embraced by the counter-culture. Having seen first-hand the negative effects of drug use, this group of people is keenly aware of the problems.

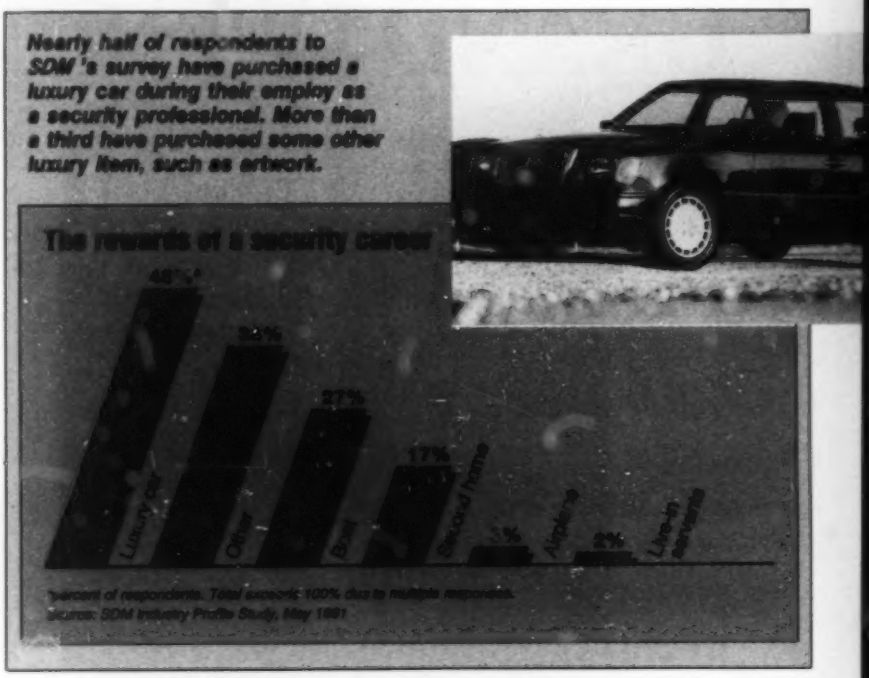
"It would be nice if we could pass on some of our experiences from this era to the younger generation, perhaps through television or public speaking. Certainly we can influence our own children," says Sam Odom, installer/service technician with Sentry Alarm Systems, Melbourne, FL, a division of Consolidated Southern Security Inc. of Clearwater, FL.

Odom reminisces about a time when a former co-worker, who was assigned to train him, got high on-the-job instead. Consequently, Odom was left on his own most of the time, not knowing what to do. In addition, because they worked as a team, "a lot of his mistakes on the job reflected on my reputation," Odom says.

"When you're high, or take a downer, you're not your normal self. If you can't perform your work, it won't be high quality," he says.

When Odom isn't busy installing alarm systems, he spends time with his wife and nine-year-old son. They like to ride bikes "and my son always wants me to go fishing," Odom says.

For 31% of survey respondents, spending time with family members is their favorite leisure-time activity, followed by traveling, named by 22%, and boating, mentioned by 17%.


Nearly half of respondents to SDM's survey have purchased a luxury car during their employ as a security professional. More than a third have purchased some other luxury item, such as artwork.
The rewards of a security career
48%*
37%
37%
17%
Luxury car
Other
Boat
Second home
2%
Airplane
2%
Lunar vehicle
*percent of respondents. Total exceeds 100% due to multiple responses.
Source: SDM Industry Profile Study, May 1991

What your colleagues do after work

Hobbies help people to relax, meet new friends, and immerse themselves in something they enjoy doing. We thought you'd like to hear about some of the more unusual hobbies your colleagues have.

A quest for a convertible automobile led Joe Cunningham, president of Cunningham Security Systems, Schaumburg, IL, down the path of collecting antique cars. He has eight of them, including a 1959 Ford hardtop retractable, 1957 Chevrolet Belair and 1969 Mach 1 Mustang with a 428-cu.-in. engine. Cunningham, who has spent 48 years in the alarm industry, performs all of the mechanical and electrical work on the cars, which he shows at various car meets and parades.

Don Williams, vice president of Phillips-Doby Security Systems Inc., Waynesboro, MS, jokes with friends that he climbs the Mississippi mud banks. Actually, Williams has scaled mountains that reach 14,400 ft. He and his wife sometimes carry their toddler-age son in a backpack on small hills. Williams says his most interesting experience has been watching lightning from above. Climbing "keeps you in shape. You can drill holes and crawl through attics all day long after mountain climbing," he says.

Potted-plant hobbyist Bob Chandler, owner of Electronic Protection Systems Inc., Prescott, AZ, was introduced to the ancient Japanese art of bonsai about two years ago. He now has more than 30 dwarf trees that average about 18 to 20 in. high. Getting a tree to follow one of the eight set bonsai styles involves confining its roots, and continual shaping and trimming. Chandler theorizes that in order for a tree to thrive, it must have a will to live, just as a person does.

Matt Watkins likes to fly, but he never gets off the ground. The vice president of Stark Security Service Inc., Canton, OH, flies a model helicopter using a radio control to alter speed, direction, and the way the helicopter responds to wind. The aluminum-and-plastic chopper can reach speeds of 60 mph. However, Watkins hasn't flown it that fast yet. He's still learning how to operate it and crashes are expensive.

After work, a third of dealers like to spend time with their families. Other popular hobbies are traveling and boating.

Many of your colleagues are involved in community activities, as well. Scott Mandel, vice president of Dynamark Security Centers, Corpus Christi, TX, is involved in a local YMCA Big Brother program, the Special Olympics program, and the Red Cross, where he teaches first aid.

"We give clients who buy a residential system a free course in first aid. I'm a real firm believer in safety and security as a total package. We do a lot of little things that set us apart. For example, the installer on the job installs safety outlet covers if the family has young children," Mandel says.

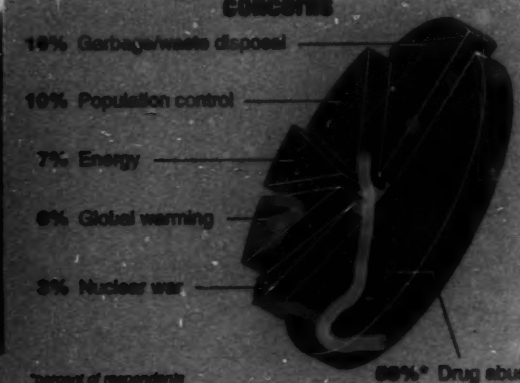
Mandel's company, which he jointly owns with his brother, has donated security systems to the Red Cross and to the YMCA. Mandel has 11 years experience as a police officer and has worked with the National Center for Missing and Exploited Children in the past.

John Ryder, president of Ryder Sound and Security, Edina, MN, was instrumental in starting a group to help senior citizens. Volunteers help seniors with chores like changing storm windows and trimming trees. Ryder also volunteers his time on the finance committee and parish council at his church.

Ryder, who is president of the Minnesota Burglar & Fire Alarm Association, uses his resources as president of a security company to better his community. He has donated security systems to auctions that benefitted a local builders association and his church.

They say there's a hobby for everyone. Some other mentions in *SDM*'s survey include teaching sports to children, dancing, snowmobiling, rodeo, volunteer fireman, and resting.

Finally, there are always those who never seem to get away from their work. We heard from them, too. When asked what their favorite *leisure-time* activity is, their answers, naturally, were: "installing alarms" and "working." **SDM**



An overwhelming majority of survey respondents view drug abuse as society's biggest problem.

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HIGH **448** MED **449** LOW **450**

Travel and sports are popular leisure-time activities which allow security dealers to spend time with their families, the No. 1 answer given by survey respondents.